

## DEXTER GRILLED AT NEW HAVEN HEARING

Lawyers Clash Over Pointed Questions Put By Hon. La Rue Brown.

WANTS TO KEEP TROLLEYS

Banker Says Sale of Steamship Lines Also Would Be at Loss.

Boston, Sept. 10.—A clash between counsel and a difference among the commissioners enlivened to-day's proceedings at the public hearing conducted by the Public Service Commission as to the advisability of approving a bond issue of \$67,000,000 by the New York, New Haven and Hartford Railroad.

Counsel for the commission, H. La Rue Brown, invoked criticism from New Haven counsel over his aggressive tone toward Philip Dexter, one of the protective committee. Brown was practically repudiated by Commissioners Bishop and White on the score of imputing improper motives, and finally was defended by Chairman MacLeod and Commissioner Anderson on the ground that he should have free hands in the conduct of the investigation, but that his questions should not be construed as representing the views of the commission.

The vote of the stockholders protective committee was read into the records and the point was brought out by Charles Francis Adams, 2d, that all the recommendations which the committee made in regard to a new management of the New Haven interests were followed.

Boston bankers did not cause the stockholders protective committee to be organized and pay its influence because they were dissatisfied at not getting their share of the underwriting profits on New Haven securities or in order to further their own interests, according to Mr. Dexter, who was the first witness.

Mr. Dexter said emphatically that it was his belief from long experience with banking and financial interests that the New Haven millions of dollars worth of trolley and steamship holdings could not be disposed of at a profit without "immense sacrifices" and that the sale of the trolleys was inadvisable either from the roads' or the public's standpoint.

He understood that the stockholders had an almost unanimous demand that the trolley lines in that State be retained by the railroad.

The board sought knowledge of what every witness testified that since the prospect for securing relief from the present financial stress through marketing some of the outside properties, but answers were discouraging so far as the immediate future went.

Lawyer Brown submitted the provisions of the Massachusetts law which make railroad bonds legal savings bank investments if they pay a dividend of at least 4 per cent. for five successive years.

Mr. Dexter, then called, said he had decided that the bond issue should be authorized for the stockholders to decide, and that the stockholders and the general public, Chairman MacLeod wanted to know the conditions under which the protective committee was organized, what it proposed to do in the future.

Mr. Dexter replied that it was formed because the stockholders were becoming anxious, that the stock of the company was falling, that there were wrecks and evidently bad management, and further because there seemed to be a strained relation between the management and the Federal Government. It seemed then to some of the stockholders that other men interposing themselves might be able to obtain better consideration from the Federal Government than could the members of the board of directors.

Hard to Get Committees.

It was a difficult and undesirable undertaking to get anybody to serve on a committee of this kind, he said, and matters moved on to the question of the committee could be handled, but the committee finally was formed and is seeking to re-establish peace and harmony and the credit of the road.

Mr. Dexter said he was absolutely sure that money was needed for improvements at once. He could not remember if the New Haven has any deposits with the old Colony Trust Company, which is a director, but he said that the Boston and Providence Railroad, one of the lines leased to the New Haven.

Mr. Dexter said that he thought it is a little easier to get money now than it was last May, but that it is hard at best, and the New Haven needs money very much, or it would not be in the field now for \$67,000,000 at 6 per cent.

Mr. Dexter said that his committee had not considered the steamboat question, but in expecting expert information as to the question of selling the trolleys, Commissioner Anderson wanted to know if Mr. Dexter would advise the commission to take action that "runs counter to the report of the Interstate Commerce Commission on the trolley situation. Mr. Dexter held that the Massachusetts commission was competent to pass on that issue independent of the Interstate Commerce Commission.

Charles F. Choate, Jr., had Mr. Dexter admit that his services and that of the other committees were given with the desire to help the company and that their action in no way was influenced by any dissatisfaction among Boston bankers.

Mr. Dexter said that the bankers have practically guaranteed to provide the New Haven with \$67,000,000 before next December on the basis of the bond issue. The money, he thought, could be raised in no other way.

Mr. Dexter said that it is practically impossible to sell the trolleys except on a serious reduction and that he cannot agree with the Interstate Commerce Commission that the sound steamers should be divorced from the New Haven railroad.

The underwriting helps the marketability of the debentures, said Mr. Dexter, and to withdraw that underwriting arrangement, which he said cannot be done, would be disastrous to the New Haven credit and would make it impossible to market the bonds.

When Charles Francis Adams, 2d, of the stockholders committee was testifying Chairman MacLeod asked if in an inquiry had been made by the committee to ascertain whether or not the need for the bond issue was "forth" by the New Haven was correct. Mr. Adams said that no such investigation had been held. The witness suggested that it was his belief that the community would be better served by having the road retain some of its outside holdings, but he was not ready to specify which ones.

Mr. Adams said that the committee had found Mr. Morgan "extremely anxious to have the sentiment of New England with him," as he was somewhat in doubt about the underwriting of so large an amount at that time. Arrangements were made to have Lee, Higginson & Co. and Kidder, Peabody & Co. as banking houses and the Shawmut and First National banks and the old Colony Trust Company participate in the underwriting.

Palmer Goes to J. P. Morgan.

Bradley W. Palmer, counsel for the committee, interrupted to say that he personally had attended to the arrangements for New England's participation in the

## THE DIFFERENCE

A WOMAN died recently and among her assets were 507,000 shares of mining stock "of no value."

If Guaranteed First Mortgage Certificates are found among your assets they will be reported as worth 100 cents on the dollar.

They pay you 4 1/2% and you can invest \$10 a month—or a million if you want to.

## TITLE GUARANTEE AND TRUST CO

Capital . . . \$5,000,000  
Surplus (in cash) . . . 11,000,000  
170 Broadway, N. Y. 172 Broadway, N. Y.  
200 Fulton St., Jamaica.

underwriting. Between July 16 and 21 he went with Charles Stone of the stockholders committee to see J. P. Morgan. Mr. Morgan said that he had tried before to gain New England's cooperation but had failed. This plan was to cover all fiscal duties as long as J. P. Morgan & Co. acted as fiscal agents.

This interview took place before the public announcement of the proposed issue of \$67,000,000 of debenture bonds. The idea was to have the financial interests of New England cooperate with the New Haven. It was in no way a move for profits and was done without the knowledge of the banking houses and banks. It was purely an outside circumstance that the men who were on the committee were connected with the banking houses and banks which later became involved.

Reads Letter From J. P. Morgan.

Charles E. Adams read a letter from J. P. Morgan, Jr., for the purpose of straightening out previous New Haven financing. This letter was dated July 12, and Mr. Morgan explained that it seemed desirable to his firm that the New Haven should form an underwriting syndicate for the debenture issue as proposed. Mr. Morgan explained that long term mortgage bonds could be put out by the New Haven until the Connecticut law was adjusted, and a mortgage on the property was not feasible until later, when it was found out what should be done with the Boston and Maine and other properties. Continuing Mr. Adams said:

"New England's one-third of the underwriting was to be distributed by the five banking institutions, and we have no interest in the exact resting place, but I suppose any one of those banking interests could tell you."

President A. C. Ratcheky of the United States Trust Company said that the United States Trust Company was a participant in the underwriting by invitation of the five institutions. He said: "The present underwriting has been distributed generally among the Boston banks. All the participants in the underwriting know what the Boston principals are getting."

Financial Vice-President Kocherberger of the New Haven testified that since the Massachusetts validation report the New Haven has paid out \$16,582,000, of which \$2,727,000 note to the Connecticut company and two other companies were included in a \$2,740,000 "loans and bill payable" account appearing in the validation report. He said that since June 30, 1910, the New Haven has expended \$12,048,000 for new equipment.

## OLYMPIC BRINGS BIG LIST OF NOTABLES

Faversham Back With Brand New Love Scene for Romeo and Juliet.

The White Star liner Olympic docked early yesterday morning with 2,273 passengers from Southampton and Cherbourg. Then Mr. Faversham, who is said to be the largest ever carried on a British ship, included many well known persons returning from vacation trips abroad. There were 752 first, 219 second cabin and 1,002 steerage passengers.

Mr. Faversham, Mrs. Julian L. Faversham (Constance Collier), and Lady Constance Stewart-Richardson were among the passengers. Constance Collier will play Shakespearean roles with William Faversham, opening at the Lyric Theatre, London, on Monday.

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## NEW HAVEN'S HEADS APPEAL TO EMPLOYEES

President Elliott and Mr. Hustis Send Circular Letter to the Whole Force.

RECENT WRECK REVIEWED

Road Will Adopt Rules Solely With View to Increasing Safety of Operation.

President Howard Elliott of the New York, New Haven and Hartford Railroad, and J. H. Hustis, vice-president, have sent to all officers and employees of the road a letter which is at once a declaration of principles and an appeal to the men for loyalty. The letter admits the human element in railroad, and while it does not attempt to place the blame for the last wreck, it emphasizes the importance of safety, and orders extraordinary precautions wherever there is a chance for a mishap.

The letter points out that Mr. Elliott, after thirty-three years service with the Burlington and Northern Pacific railroads, and Mr. Hustis, after 35 years service with the New York Central and Boston and Albany roads, went to the New Haven on the same day the wreck occurred. It continues:

"We have no purpose except to maintain, operate and improve the property so that it may do its work with safety to you and the travelling public, and with efficiency and economy for the shippers and owners."

"We hope to make our service for this company our life work. To-day we are all involved in this awful casualty, and the men, as well as the management and the public, are entitled to a sympathetic consideration. It is our duty to do our best to face this terrible, keep our heads and do our duty."

A Common Responsibility.

"We are fellow employees, our duties and responsibilities only varying in degree. Each one of us has a great responsibility to the public, to his fellow employees and to the thousands of owners of securities. We need your help, and we wish to be helped. We must help each other if this road is to be safe."

The work of the great army of employees is most important, because you are engaged in the detailed work of maintaining the road and operating trains over it. The rules and regulations laid down by the public authorities and by the management.

"Upon the officers there is imposed by law the duty to adopt and enforce every reasonable rule and practice which experience has shown will help to protect life and preserve property. This is a duty, and it must be performed with firmness and without hesitation. No railroad can obtain safe operation that does not have the earnest and loyal support of its men. It is our duty to enforce the rules and to perform the service. This is no question of your loyalty. This is a question of your duty. There is no practical way of enforcing rules and regulations except by observing the rules and by enforcing them. We are accepting cordially any further rules and regulations that make for safety."

The letter then refers to the September 2 wreck, and then comes this paragraph: "This accident should not, however, and would not have occurred, but for the rules of the railroad being observed strictly and good judgment, born of experience, been displayed. The men on the train, the engineer, the fireman, the conductor, the brakemen, and the men on the ground, all had their duties and were of good habits so far as is known. Certainly their appearance and conduct were of good habits so far as is known. Certainly their appearance and conduct were of good habits so far as is known."

"It is believed that the wreck was due to a combination of causes, and that the great body of men in engine and train service—men who would not intentionally do a wrong and who take a pride in their work. They all had proper training and were familiar with the piece of road over which they were running. The air-brake and the signals performed their functions."

"The conditions of that morning had been duplicated many times before, and that there could be no doubt about the duty of the men on the train and on the ground. The men on the train and on the ground, all had their duties and were of good habits so far as is known. Certainly their appearance and conduct were of good habits so far as is known."

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Just criticism, so that the undivided attention of all employees and men can be accorded with the important work of trying to serve the public with absolute safety."

## NEW HAVEN ENGINEERS FIRM

Talk of a Big Strike to Resist Abrogation of Seniority Rule.

New HAVEN, Conn., Sept. 10.—General Manager Clinton L. Bardo of the New Haven road faces to-night the problem of making the new move in the negotiations between the conference board of the engineers on the New Haven lines and their employers, for the Brotherhood representatives have refused flatly to entertain modifications of their present working agreement, and meetings between the men and Mr. Bardo have ceased.

The conference board is in daily session here awaiting the further pleasure of Mr. Bardo and to-night expected that he might ask for another conference in a day or so, but the men have nothing to offer. They have no idea of compromising. On the other hand Mr. Bardo is determined to change the seniority plan of employing engineers and also the method of getting material from which to draught engineers.

There were a half dozen meetings since September 1, but the men have not agreed to concede anything Bardo has demanded. He had given the engineers thirty days notice of desiring to change the seniority rule so as to nullify its effectiveness.

One of the engineers' brotherhood members said to-night:

"Next to hours of labor and scale of pay, the seniority principle is the most important feature of labor organizations on a railroad, and it will not be given up or its effectiveness nullified in any way by the engineers without the most prolonged resistance of which the organization is capable."

Would Expect Help in a Strike.

"Since the seniority principle is one of the best features of the organizations among the conductors, trainmen and firemen they felt justified in striking for the retention of this rule they would be sustained by the other train operating organizations."

Mr. Bardo has taken on a serious aspect to-night, and rumors of an impending labor war are heard. It is said freely by railroad men that should the engineers strike the other organizations in the operating department would declare a sympathetic strike if necessary. It is conceded that the engineers' brotherhood is the strongest in the local railroad world and should the company overthrow seniority among the engineers it would mean the overthrow of the company and its other operating forces.

General Manager Bardo believes the striking out of the seniority rule would be the best thing that could happen to the New Haven road. It is determined to carry the fight to a finish, it is said.

Elliott Quiet on the Matter.

It is not known whether or not Howard Elliott, now head of the system, and President Hustis of the New Haven division look upon the striking out of the rule as of so much importance as does the general manager. Mr. Elliott said that the seniority plan was in effect on the Northern Pacific while he was president there. He could not say what he thought of the rule as a general principle, but because he was familiar with the particular rule in force on the New Haven lines he would not comment on the present situation.

The engineers' conference committee and of the majority of men in the brotherhood that Mr. Bardo is threatening now to take the rate of public agitation over the troubles of the company with its operating forces.

Mr. Bardo is said to be a man of great sentiment to bear down on the engineers' agreement and strike out one or more of its most salient features.

WRECK VICTIM ASKS \$30,000.

Woman in Suit Says Carelessness Caused New Haven Disaster.

Miss Jean Stoddard, a victim of the railroad wreck at North Haven, Conn., entered suit against the New York, New Haven and Hartford Railroad Company yesterday in District Court. She claims \$30,000 damages. This action is believed to be the first of many similar suits growing out of the disaster which killed over a score of persons and injured about thirty.

Miss Stoddard is a trained nurse from England and lives temporarily at 27 East Fifty-fifth street. She says that on the morning of the wreck she was on the New Haven train, which was carrying her to New York. She was returning from Mount Kineo, Me. When the train was struck by the White Mountain Express she says that she was thrown from the train and landed on the head and body and a deep gash on the right cheek. She says that she will be crippled for life.

The plaintiff asserts that the wreck was due to the carelessness of the New Haven road, and that the loss of life and injuries were added to by the road's failure to provide steel cars.

ONLY 2 IN STEEL CARS HURT.

Black Diamond Express on Lehigh Valley Is Derailed.

ALLENTOWN, Pa., Sept. 10.—The Black Diamond Express on the Lehigh Valley Railroad, en route from Philadelphia to Buffalo, was derailed here this afternoon. Five Pullmans left the track as the express passed over a street crossing and came to rest on a street.

Thousands of bricks showered on to the coaches, but only two passengers were injured. The train was of steel construction throughout, which is attributed to the passengers' escape.

Bill for Automatic Train Stops.

WASHINGTON, Sept. 10.—Representative Enoch C. Walcott introduced to-day a bill which makes it mandatory for railroads to install automatic stops which would operate when danger signals are crossed.

FOX NOMINATION CONFIRMED.

Fight Made in Senate Against Postmaster Named at Sacramento.

WASHINGTON, Sept. 10.—After a struggle in the executive session of the Senate that lasted from 4 o'clock this afternoon until 9 o'clock to-night the nomination of Thomas Fox to postmaster at Sacramento, Cal., was confirmed. This nomination was opposed by Rudolph Breckinridge, president of the Woodrow Wilson Progressive Republican League that worked valiantly for votes for Wilson and Marshall in the last campaign.

The opposition to Fox was based on the allegation that he represented machine politics; that he was the boss of Sacramento and a cog in the Democratic organization of California, headed by Theodore E. Bell, attorney for the Southern Pacific.

Among the other nominations confirmed was that of Joseph E. Willard of Virginia as Ambassador to Spain. This nomination was necessary by the passage of legislation raising the grade of the United States diplomatic representative at Madrid from a Minister to an Ambassador. Other confirmations were Thomas H. Burch of New Jersey as Minister to Portugal, John Ewing of Louisiana as Minister to Honduras, George W. Buckner of Indiana as Minister to Liberia, John H. Gleason as United States Attorney for the Northern district of New York and Edgar Battle to be postmaster at Seattle.

Say Morphine Killed Mrs. Catta.

PHILADELPHIA, Sept. 10.—A Coroner's jury decided to-day that the death of Mrs. Olga J. Catta, 30 years old, the divorced wife of Robert M. Catta of New York, had been caused by an overdose of morphine accidentally taken. Mrs. Catta, who was Miss Olga J. McWhorter of Wilmington, Del., before her marriage, in June, 1899, had a sum of money added to the list of the drug for fifteen years.

## FIGHT CENTRAL ON FINANCING

Continued from First Page.

of the Michigan Central. That question can be met and disposed of on its merits when and if the United States raises it. It does not arise now, because the action which the New York Central and the Lake Shore propose to take will not be in restraint of trade and will not affect the status of the Michigan Central."

Vice-President Smith of the New York Central was a witness. He threw the first light the commission has obtained on the effect of the proposed consolidation on the operating side of the railroad. He contended it would effect a big saving of money.

The chief point on which the commission seems to be interested is just what lines besides the Lake Shore are to be brought into the formal consolidation. Officials of the road could not say at this time. It was plainly intimated by A. R. Mackley, the Interstate Commerce Commission employee, that the consolidation of the New York Central and Lake Shore will lead to the absorption under the consolidation of the Chicago, Indiana and Southern, the Toledo and Ohio Central Railroad and the Pittsburgh and Lake Erie, because the Lake Shore already controls these roads.

Outline of Consolidation.

Mr. Mackley outlined the proposed consolidation as he had obtained the facts. Mr. Mackley said that the proposed 4 per cent. bond issue of \$167,000,000 for the purpose of taking up the outstanding 3 1/2 per cent. bonds would involve the paying of the increased half per cent. rate to be charged against the New York Central on only \$90,000,000 of bonds.

Mr. Mackley outlined the facts gathered by him substantially as follows:

"Some time ago the New York Central concluded that it would be expedient, particularly in the operation of a consolidation through the New York Central to Chicago, to consolidate the Lake Shore with the New York Central, and in 1911 it issued a circular to the Lake Shore collateral bondholders asking their consent to such a consolidation, offering as an inducement to increase the security for their bonds by giving a mortgage on the New York Central property and offering also to pay certain taxes under New York law. The fourth of the \$90,000,000 worth of bonds would mean \$75,000,000 worth in consents, but only \$20,000,000 worth of consents were received."

"Early in the present year the New York Central made a second proposition which was that in addition to giving this additional security of a mortgage on the New York Central property, the rate of interest on the bonds would be increased from 3 1/2 to 4 per cent."

Increase in Fixed Charges.

"The increase of this one-half per cent. on the \$90,000,000, constituting the three-fourths of the \$167,000,000, would add to the fixed charges of the New York Central of about \$450,000 per year over a period of eighty-five years, as these bonds mature in 1987."

Mr. Mackley declared this would mean that the additional \$450,000 per annum would have to be taken care of before money would be available for dividends to stockholders. Mr. Mackley said that before the Senate resolution was adopted certain holders of New York Central stock, C. H. Verner and the Continental Securities Company, protested against this plan of reorganization before the Public Service Commission of New York.

This \$90,000,000 bond issue, involving \$450,000 per year additional in fixed charges, now the \$167,000,000 referred to in the Senate resolution which it is proposed to cover in one general mortgage called the New York Central consolidated mortgage.

The Michigan Central 3 1/2 per cent. collaterals will not be exchanged unless and until the New York Central in future may conclude that it is advisable to consolidate its bonds with the Michigan Central. In other words, while under this mortgage there is the authority for the exchange of the Michigan Central bonds for 4 per cent. bonds, there is no present intention of consolidating the Michigan Central and exchanging those bonds.

The inquiry will go on to-morrow.

VENNER, CHRONIC LITIGANT.

Has Begun Many Minority Stockholder Suits Against Roads.

CLARENCE H. VENNER, both individually and through his Continental Securities Company, has instituted many minority stockholder suits against the railroads, usually through J. Aspinwall Hodge as counsel. His latest litigation here was against the Interborough Metropolitan Company for an accounting of sums alleged to have been paid wrongfully to August Belmont.

At a hearing in the case Mr. Belmont characterized Venner as a "practical blackmailer" and asked the court to discontinue the term concerning him. Venner sued Belmont for libel and when the defendant filed an answer giving a long list of suits by Venner against corporations Venner tried to withdraw the suit.

Venner first went after the New York Central last December when he filed a protest with the State Utilities Commission of Ohio against the issuance of \$24,000,000 of bonds by the road for improvements in Ohio.

PRESIDENT REBUKES KINDEL.

Chides Representative for His Action Against McKeenleys.

WASHINGTON, Sept. 10.—Representative Kindel of Colorado, a Democrat, called at the White House to-day to lay before President Wilson details of the charges he has made against Attorney-General McKeenleys in connection with the Southern Pacific dissolution decree, to which Mr. McKeenleys agreed.

Representative Kindel introduced in the House in August a resolution calling for an investigation of the decision, which charged that serious injustice had been done to the people of the West by the Administration in assenting to the decree.

Mr. Kindel boldly told the President that the Attorney-General had been neglectful of the interests of the people of the West in that he did not scrutinize with sufficient care the provisions in which the people of that section had special interest.

The President gave the Colorado Representative a cold reception and intimated that he did not wish